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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

CD NO.

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COUNTRY

East Germany

DATE DISTR. 21 December 1953

SUBJECT

Restrictions on Armament Production by the
East German Radio and Telecommunications
Main Administration

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SUPPLEMENT TO
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On 15 July 1953, [] on the basis of a decision taken by the State Secretary of the Ministry for General Machine Building on 11 June 1953, the RFT Main Administration had cancelled armament orders including the measuring sets production programs of Funkwerk Erfurt, Funkwerk Dresden, and Messgeraetewerk Zwoenitz; the armament orders placed with Funkwerk Koepenick, Funkwerk Labendorf, Funkwerk Zittau-Olbersdorf, and Funkwerk Leipzig; the armament orders placed with Fernmeldewerk Arnstadt, Fernmeldewerk Leipzig, and Fernmeldewerk Treptow; and the ME-8 program. The RFT Main Administration also ordered that imports of P 2 iron, nickel band, molybdenum, wolframite, and carbonyl iron from western countries be cancelled.

2. Following a conference held at the Ministry for General Machine Building on 13 July 1953, up to 60 percent of armament orders, placed with plants which had formerly been controlled by RFT VVB, were cancelled in favor of civilian supply. Plants concerned included Sternradio Rochlitz, Sternradio Sonneberg, Sternradio Stassfurt, Sternradio Berlin, Funkwerk Leipzig, Funkwerk Dresden, Funkwerk Zittau-Olbersdorf, Funkwerk Koellada, Geraetewerk Radebaul, Glockenwerk Eisenach, and Elektrofeinmechanik Mittweida. [] no information on production cuts at other RFT plants.

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3. In late June 1953, supplementary plan A of the budget and investment plan for telecommunications of the Postal and Telecommunications Ministry was reduced from 6,000,000 to 4,000,000 eastmarks. Supplementary plan B, amounting to 7,600,000 eastmarks, was completely cancelled. The funds saved were scheduled to be used for food supply. []

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[] If this measure were executed, part of the production of Fernmeldewerk Arnstadt would have to be stopped and a large section of the labor force would be dismissed. Fernmeldewerk Treptow was the principal plant to be affected by the cut of supplementary plan B. In early July, a large number of delivery terms for orders placed by the Postal and Telecommunications Ministry were postponed four or five months.

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4. The Zentrallaboratorium fuer Fernmeldewesen Treptow started producing 33 of 50 lamp switchboards which were ordered after the cancellation of VP orders had been countermanded on 2 July 1953. These 33 lamp switchboards were to be delivered by 1 October 1953, and the others by late 1953. A proposal was made to increase the plan by 2,000,000 eastmarks. On 1 July 1953, Minister Wunderlich promised to make available this amount.

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1. Comment. It seems probable that the armament orders have been cancelled only pending the issuance of new definitive plans. No information is available on the new directives for armament tasks.

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